

1. (Currently amended) A method of managing product returns comprising the steps of:

interrogating a radio frequency product label on a product returned to a store by a radio frequency product label interrogator controlled by a computer;

identifying the product from radio frequency product label identification information obtained from a memory of the radio frequency product label by the computer, wherein the radio frequency product label identification information identifies the radio frequency product label and the identifying step includes looking up product identification information using the radio frequency product label identification information obtained from the memory;

recording operator authorization to add the product to inventory by the computer; and

adjusting inventory records to include the radio frequency product label identification information and to reflect addition of the product to inventory by the computer.

2. (Currently amended) A method of managing product returns comprising the steps of:

interrogating a radio frequency product label on a product returned to a store by a radio frequency product label interrogator controlled by a computer;

identifying the product from radio frequency product label identification information obtained from a memory of the radio frequency product label by the computer, wherein the radio frequency product label identification information identifies the radio frequency product label and the identifying step includes looking up product identification information using the radio frequency product label identification information obtained from the memory;

determining whether the product was sold by the store by the computer using the radio frequency product label identification information; and

only if the product was sold by the store,

recording operator authorization to add the product to inventory by the computer; and

adjusting inventory records to include the radio frequency product label identification information and to reflect addition of the product to inventory by the computer.

3. (Currently amended) A method of managing product returns comprising the steps of:

activating a radio frequency product label on a product returned to a store by a computer;

interrogating the radio frequency product label by a radio frequency product label interrogator controlled by the

computer;

identifying the product from radio frequency product label identification information obtained from a memory of the radio frequency product label by the computer, wherein the radio frequency product label identification information identifies the radio frequency product label and the identifying step includes looking up product identification information using the radio frequency product label identification information obtained from the memory;

recording operator authorization to add the product to inventory by the computer; and

adjusting inventory records to include the radio frequency product label identification information and to reflect addition of the product to inventory by the computer.

4. (Currently amended) A system for managing product returns comprising:

a radio frequency product label affixed to the product, including a memory for storing radio frequency product label identification information associated with the radio frequency product label;

a radio frequency product label interrogator which obtains the radio frequency product label identification information from the memory of the radio frequency product

label; and

a computer which controls the radio frequency product label interrogator, identifies the product from the radio frequency product label identification information by looking up product identification information using the radio frequency product label identification information, records operator authorization to add the product to inventory, and adjusts inventory records to include the radio frequency product label identification information and to reflect addition of the product to inventory.

5. (Currently amended) A system for managing product returns comprising:

a radio frequency product label affixed to the product, including a memory for storing radio frequency product label identification information associated with the radio frequency product label;

a radio frequency product label interrogator which obtains the radio frequency product label identification information from the memory of the radio frequency product label; and

a computer which controls the radio frequency product label interrogator, identifies the product from the radio frequency product label identification information by looking up product identification information using the

radio frequency product label identification information, determines whether the product was sold by the store using the radio frequency product label identification information, and, only if the product was sold by the store, records operator authorization to add the product to inventory and adjusts inventory records ~~to reflect~~ to include the radio frequency product label identification information and to reflect addition of the product to inventory.